

Australia-Thailand trade: recent trends

Australia's commercial linkages with Thailand have expanded since the Thailand-Australia Free Trade Agreement (TAFTA) entered into force on 1 January 2005. In the first two years of the agreement's operation, the total value of goods and services traded between the two countries increased by 50 per cent, almost twice as fast as growth in Australia's overall trade. Australian merchandise exports benefiting from the reductions in Thai tariffs negotiated in the agreement have risen even more rapidly—exports in 2007 were 72 per cent higher than before the agreement. Australian imports of goods and services from Thailand have also increased—merchandise imports in 2007 are more than double those before the agreement.

The Thai economy

The Thai economy is South-east Asia's second largest. After growing at more than 7 per cent in 2003 and 6 per cent in 2004, Thailand's economy has slowed and has since grown at between 4.5 per cent and 5 per cent. The IMF estimated that growth slowed further to 4 per cent in 2007. Falling growth in domestic consumption and investment (particularly construction-related) more than offset strong exports.

Thai exports were historically agriculture-based, but the economy has transformed dramatically over the past few decades to become a manufacturing hub. Now, around 80 per cent of Thailand's exports consist of manufactured goods, many of which depend to a large extent on imported inputs. Its major exports are machinery, electronics and motor vehicles. Almost 60 per cent of exports go to the United States and Japan, while a further 9 per cent go to China.

Thailand's major imports are fuels, raw materials (metals and minerals), electronic parts and industrial machinery. Japan remains Thailand's

largest source of imports (20 per cent), with China (11 per cent), the United States and Malaysia (7 per cent each) the next largest. In 2007, Australia was Thailand's seventh largest export market (3.8 per cent) and twelfth largest source of imports (2.7 per cent).

Australia-Thailand trade

Thailand is an important market for Australian exports. It was Australia's 9th largest goods export market in 2007, up four places in the past three years.

The major area of growth in Australian exports in recent years has been in *Simply Transformed Manufactures* (STM) (this category includes many metals, the prices of which have risen significantly), while fuels (primarily crude petroleum and coal) also showed strong growth (see **Chart 1**). As a result, Australian exports to Thailand are dominated by commodities, many of which are used in the production of manufactures for export, including: aluminium; gold; crude oil; and copper. These four commodities comprised more than half of Australia's total goods exports to Thailand, worth \$2.5 billion in 2007.

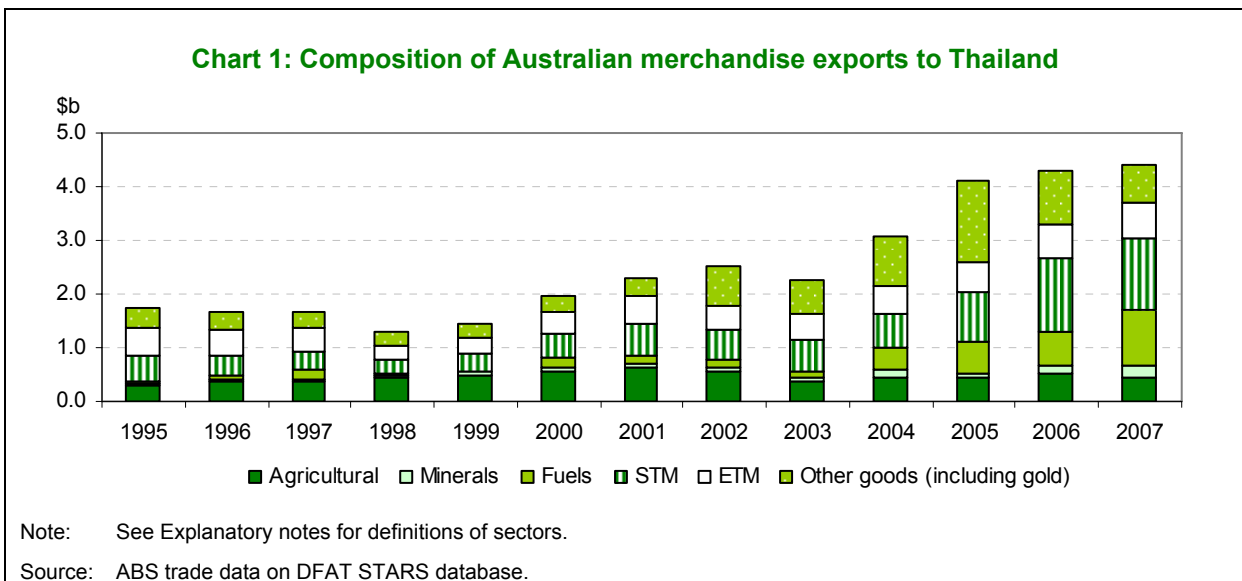
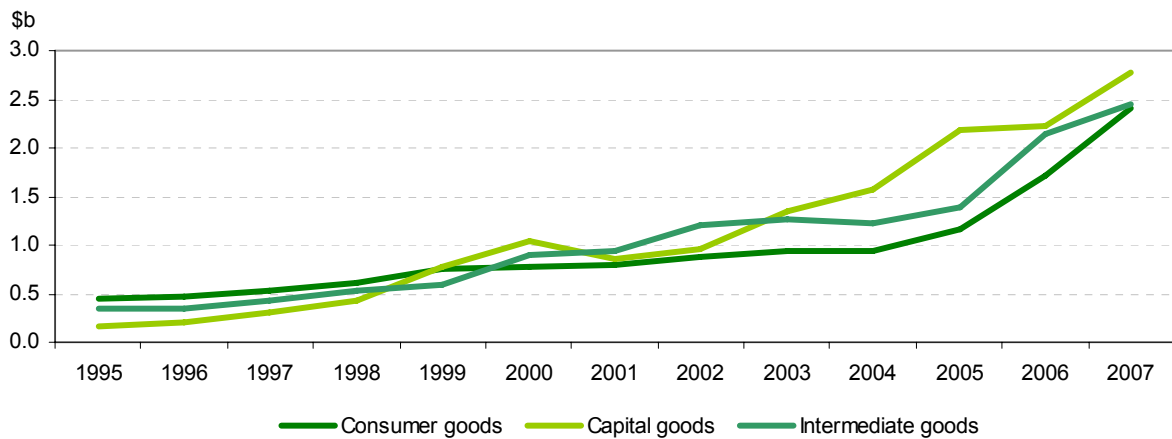


Chart 2: Australia's merchandise imports from Thailand



Note: See Explanatory notes for definitions of sectors.

Source: ABS trade data on DFAT STARS database.

Manufactured goods dominate Australia's imports from Thailand. Key Australian imports include: goods and passenger motor vehicles; heating and cooling equipment; and gold. These four items comprised over half of Australia's total imports from Thailand, worth \$4.2 billion in 2007.

In 2007, goods vehicles alone comprised one-quarter of total imports from Thailand. Also significant were computers, seafood (particularly prawns and canned tuna), telecommunications equipment, vehicle parts, household appliances and jewellery.

Growth in imports has been strongest in relation to consumer and intermediate goods; both averaging growth of 22 per cent per annum in the five years to 2007. Consumer goods imports have grown especially strongly since 2004, reflecting significant increases in imports of goods and passenger vehicles and household items. Capital goods imports have grown by an average of 17 per cent per annum over the last five years (**Chart 2**).

The Thailand-Australia Free Trade Agreement (TAFTA)

The Thailand-Australia Free Trade Agreement (TAFTA) will lead to the elimination of Thailand's significant tariffs (in some cases up to 200 per cent) across all sectors. More than half of Thailand's 5,000 tariff lines—accounting for nearly 80 per cent of Australian exports—were eliminated when the agreement entered into force in January 2005. Tariffs which were not immediately eliminated were cut on entry into force and are being phased down. Ninety-five per cent of all current trade between Australia and Thailand will be completely tariff free by 2010. Longer phase-out periods and

special quota arrangements apply to selected agricultural goods.

Thailand has relaxed a number of its restrictive conditions relating to visas and work permits, and guaranteed non-discriminatory treatment of Australian investments in Thailand. It has also liberalised its foreign investment policy by relaxing foreign equity caps in some sectors and now permits majority Australian ownership in a variety of sectors.

Trade liberalisation under TAFTA: Thailand

- On TAFTA's entry into force, Thailand's tariffs on beef were cut from 51 per cent to 40 per cent and are being reduced by 2.6 percentage points each year until they are totally eliminated in 2020. Similar arrangements apply to pork (with an initial tariff of 32 per cent). The sheep meat tariff is being phased from 33 per cent to zero by 2010.
- Thailand's tariffs on most fruit and vegetables are being reduced from pre-TAFTA levels (27-42 per cent) to zero in 2010. Tariffs were eliminated immediately on most tropical fruit (and some canned fruits).
- Tariffs on a wide range of processed food and beverages were eliminated or will, in virtually all cases, be eliminated by 2010.

Australia has also granted Thailand improved access to the Australian market under TAFTA. While 36 per cent of Thai exports entered Australia free of duty before TAFTA, Australia eliminated tariffs covering a further 47 per cent of Thai exports when the agreement entered into force. Australia's remaining tariffs on automotive products, textiles, clothing and footwear, steel and plastics and chemicals are being eliminated over periods of 5 to 10 years.

Trade liberalisation under TAFTA: Australia

- On TAFTA's entry into force, Australia removed existing tariffs on passenger vehicles, off-road vehicles, goods vehicles and other commercial vehicles of Thai origin. With the exception of 98 tariff lines which will remain at 5 per cent until 2010, all tariffs on automotive components were also removed.
- Tariffs on Thai textile, clothing and footwear products were reduced when the agreement entered into force, and will be phased out by either 2010 or 2015.
- Apart from tariffs of 5 per cent or less on steel, canned tuna and some plastics and chemicals (which will all be phased out by 2010), all other tariffs were removed on 1 January 2005.

TAFTA also includes mechanisms for promoting cooperation, transparency and international best practice in a wide range of areas such as intellectual property rights, competition policy, e-commerce, quarantine standards and industrial standards.

Growth in Australia-Thailand trade under TAFTA

Since TAFTA entered into force, there has been substantial growth in two-way trade. Total goods and services trade with Thailand grew to \$12.5 billion in 2006, a 50 per cent increase on the value in 2004. This is almost double the rate of growth of Australia's overall trade in that period. In 2007, Australia provided 2.7 per cent of Thailand's total merchandise imports, up from 2.3 per cent in 2004. Similarly, Thailand's share of Australia's merchandise imports has increased from 2.6 per cent to 4.2 per cent.

Australian exports to Thailand

After a 35 per cent increase in Australian merchandise exports to Thailand in 2005, following TAFTA's introduction, export growth slowed to 4 per cent in 2006 and to 3 per cent 2007 (**Chart 3**). The slowing growth in Australian exports to Thailand generally reflected the fall in growth of Thailand's demand for imports over this period. Despite this slowing demand, the growth rate for Australian exports to Thailand in 2006 and 2007 remained higher than the growth rate for Thailand's total imports—demonstrating Australia's increasing market share. In total, Australia's merchandise exports for 2007 were 45 per cent higher than for 2004, the year before TAFTA was implemented. This suggests Australian businesses are capitalising on the opportunities created. More than 800 companies have registered as exporters under the agreement and over 14,000 certificates of origin have been issued.¹ In 2007, Austrade assisted 280 companies (up from 218 in 2006) to secure export deals worth \$498 million, covering a wide variety of industries.

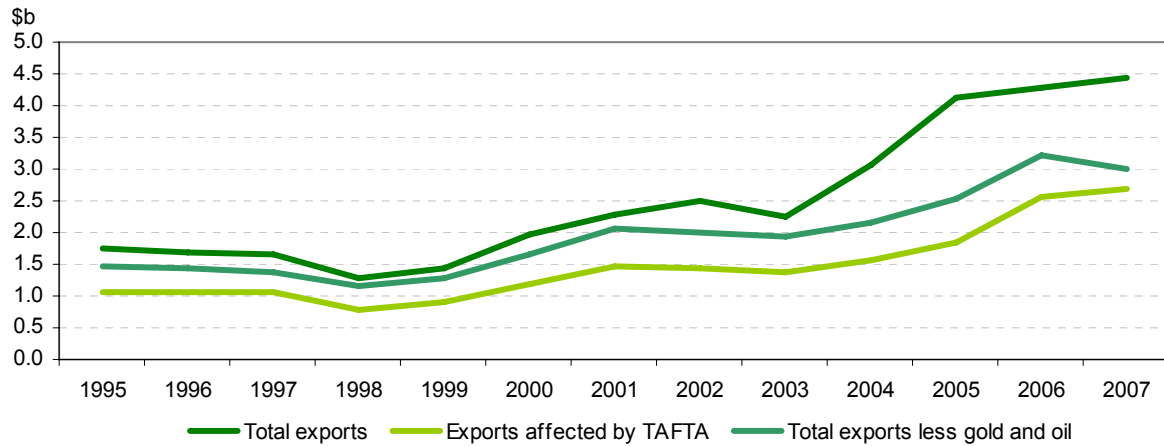
The impact of TAFTA can also be highlighted by examining the diversity of exports. In each of the three years before TAFTA was introduced, Thailand imported goods from Australia categorised into slightly more than 2,500 tariff lines. However, after TAFTA's entry into force, the number of product categories grew by 14 per cent, or an additional 350 tariff lines to around 2,850 tariff lines in 2005 and 2006². Examples of items Thailand imported from Australia, that were not imported immediately prior to TAFTA, include some medicines, auto parts such as engines, steel and aluminium products. This suggests that TAFTA has increased the interest of Australian exporters in the Thai market.

While TAFTA tariff reductions have been a significant factor in the growth of Australia's exports, other factors have also played a role, such as exchange rate movements, economic growth rates, the competitiveness of third countries and the prices of goods traded on world markets. In particular, Australia's exports can be affected by swings in the value of metals and other commodities that account for a large share of trade. For example, exports of Australian gold (included in 'other goods' in **Chart 1**) more than doubled in 2004 and again in 2005 to

¹ Each certificate of origin represents a shipment of goods attracting a preferential tariff rate under TAFTA.

² Significant tariff nomenclature changes implemented in January 2007 meant that 2007 tariff lines were not comparable to earlier figures.

Chart 3: Australian merchandise exports to Thailand



Source: ABS trade data on DFAT STARS database.

\$1.01 billion, but then halved in 2006 and fell a further two per cent in 2007. Similarly, crude petroleum exports jumped nearly \$300 million in 2004 and a further \$170 million in 2005, then fell by \$65 million in 2006 before increasing 70 per cent (\$356 million) to become Australia's top export to Thailand in 2007. Both gold and crude petroleum are free of duty, so these changes reflect developments in the marketplace.

Looking only at those merchandise exports that have been affected by the tariff reductions negotiated under TAFTA provides a clearer indication of the direct effects of the agreement. Exports of these goods rose by 17 per cent in 2005, 40 per cent in 2006 and a further 5 per cent in 2007.

Some of Australia's large commodity exports were subject to tariffs of only one per cent (or 5 per cent in the case of copper) prior to TAFTA. Nonetheless, a one per cent tariff can have significant commercial value when the value is large or the margins are small. For example, Australia and Japan are the largest sources of aluminium for Thailand. Since TAFTA was implemented, Australia's share of Thailand's aluminium imports has risen from 19 to 27 per cent, to be worth \$824 million (in 2007), while Japan's share has fallen from 21 to 17 per cent.

Thailand is Australia's 10th largest trading partner in services and 14th largest services export market. Most of the growth in Australian service exports has been in education-related travel services, reflecting the rising number of Thai students studying in Australia.

In the year to November 2007, enrolments by Thai nationals in Australian educational institutions were up 12 per cent on the same

period in 2006. Australia had the largest share of Thai students studying overseas, 32 per cent or almost 18,000 students in 2006. Australian education exports comprised 64 per cent of total services exports to Thailand.

The growth in Australian services exports to Thailand has not matched that of merchandise goods. The 13 per cent rise in service exports since TAFTA came into force is similar to the increase in Australia's services exports to all markets.

Impact on selected industries

Automotive industry

Thailand has 16 car manufacturers and produced 1.17 million vehicles in 2006 and 1.05 million vehicles by the end of October 2007 – with an industry target of 1.8 million vehicles a year by 2010. Its automotive industry specialises in the production of small (one-tonne) pick-up trucks and most of these type of vehicles sold in Australia (including the Toyota Hilux, the Ford Courier, the Holden Rodeo, the Mazda B-series and the Nissan Navara) are produced in Thailand. Australia also imports an increasing range of passenger cars from Thailand, including the Honda Jazz, the Honda Civic, the Honda Accord and the Nissan Tiida. The Honda CR-V sports utility vehicle is also imported from Thailand.

The removal of tariffs on Thai motor vehicles under TAFTA has encouraged more Australian importers to source their vehicles from Thailand. For example, Honda switched to importing the Honda Jazz from Thailand (instead of Japan) soon after TAFTA came into force and now sources most of its products from Thailand. As a result, Australian imports of Thai passenger and goods motor vehicles have more than tripled from \$1 billion in 2004 to \$3.2 billion in 2007.

The strong growth in passenger motor vehicle imports from Thailand reflects both strong Australian demand for cars, as well as some redirection of trade from alternative sources such as Japan and South Africa. Australian imports of goods vehicles have risen from all major sources except the United States.

Australian automobile production is focussed on large passenger cars. More than 30 per cent of Australian-produced cars were exported in 2006, with the countries of the Gulf Co-operation Council (particularly Saudi Arabia) taking 70 per cent of these exports.

The potential for Australian vehicle exporters to benefit from TAFTA was significantly constrained by Thailand's 2005 restructuring of motor vehicle excise tax. While the new excise rates apply on a non-discriminatory basis to all exporters, the fact that the rates escalate according to engine size disadvantages Australia. Australia exported around 300 vehicles to Thailand in both 2005 and 2006, worth \$3 – 4 million, up from 79 vehicles in 2003 and 14 in 2004. Vehicle exports fell by 40 per cent in 2007 to \$1.8 million. Approximately half the value of Australian vehicle exports to Thailand came from specialised vehicles such as fire fighting vehicles and large trucks, with passenger vehicles accounting for much of the rest.

Car parts exports have benefited strongly from TAFTA. Tariffs on automotive parts, components and accessories exported to Thailand—formerly up to 42 per cent—reduced to a ceiling of 20 per cent on entry into force and are being phased down to zero by 2010. As a result, Australia's exports of automotive components to

Thailand have almost doubled from \$37.6 million in 2004 to \$74 million in 2007. There was growth in a variety of parts, with a significant contribution from brakes, axles, gearboxes and engines (see **Chart 4**).

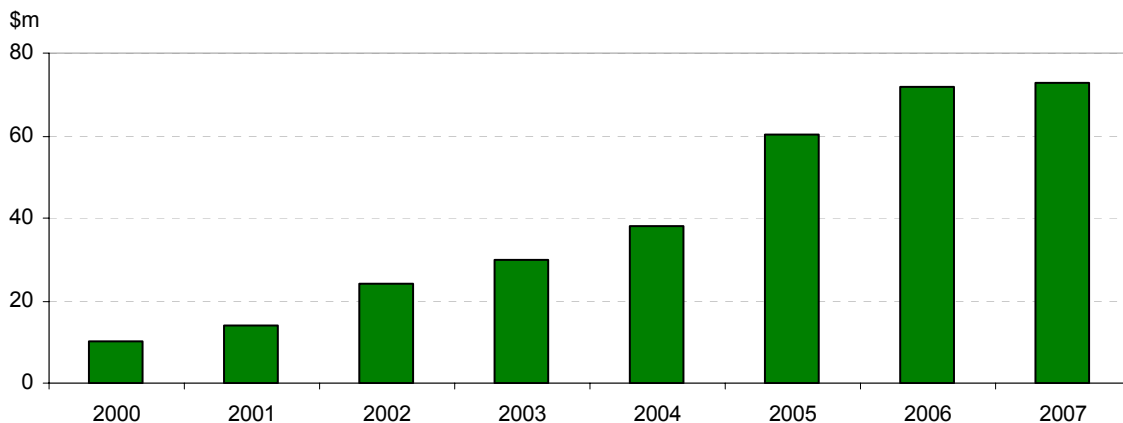
Australia's share of Thailand's automotive parts imports has also increased accordingly, although we remain a small player with less than one per cent of the total in this category. Nonetheless, Australia's share of petrol engines going into Thailand has risen from 8 to 12 per cent since 2004.

Medicines (medicaments)

Medicines include most pre-packaged medical products except vitamins and bandages. Products for veterinary use are also covered in this sector. The Australian pharmaceutical industry comprises close to one and a half per cent of the world pharmaceutical market, with a turnover of \$7.8 billion. The trend annual growth rate for exports of Australian medicines to the world over the last ten years has been nearly 16 per cent.

Under TAFTA, Thailand agreed to phase out tariffs on imports of Australian medicines, previously set at 10 to 20 per cent, to zero by 2009. Australian medicine exports to Thailand, previously growing at the same rate as to the rest of the world, accelerated upon TAFTA's entry into force, with annual growth of 20 per cent the first two years, to \$200 million in 2006. However, exports fell 16 per cent in 2007. Looking ahead, there is substantial scope for further growth in medicine exports to Thailand as tariffs are eliminated.

Chart 4: Australian exports of car parts to Thailand



Source: ABS trade data on DFAT STARS database.

Dairy

Thailand's dairy industry has historically been protected by high tariffs, quotas and extensive regulation. However, producers are not able to meet demand from consumers and the local processing industry. As a result, Thailand imports around US\$500 million of dairy products each year. The Thai wholesale market for dairy products is worth around \$1 billion (compared with an equivalent value in Australia of around \$5.9 billion).

Australian dairy farmers have operated in a completely deregulated domestic industry environment since 2000, where international prices are the major factor in determining the price received by farmers for their milk. Although Australia only accounts for two per cent of world milk production, around 50 per cent of Australian production is exported, worth \$2.4 billion and representing 12 per cent of world dairy exports.

The Australian dairy industry exports products such as powdered milk, butter, cheese and whey products, principally for use as ingredients in Thailand's food processing industry. Australia's main competitors in the Thai market are New Zealand and the European Union.

Under TAFTA, Thailand immediately eliminated tariffs on a variety of dairy goods and is reducing the tariffs on butterfat, yoghurt, dairy spreads and ice cream to zero by 2010. Australian producers received an immediate additional quota of 2,200 tonnes for skim milk powder and 120 tonnes for liquid milk and cream. These quotas are being expanded by 17 per cent at five-yearly intervals until 2025, when all tariffs and quotas will have been eliminated.

Exports of milk and cream to Thailand rose 11 per cent to \$104 million in 2006 and have risen 70 per cent since TAFTA entered into force; although exports are down 14 per cent in 2007, in part reflecting drought-lowered production. As a result, Australia's share of Thailand's import market for dairy products rose by 9 percentage points to 26 per cent from 2004 to 2006, although the subsequent drought-related fall in Australian dairy production and exports affected these gains in 2007.

Current trends and future outlook

Australia's merchandise exports to Thailand grew strongly immediately after TAFTA entered into force but the rate of growth has since slowed. In 2005, Australian exports grew by 35 per cent. Growth dropped to 4 per cent in 2006 and in 2007 merchandise exports to Thailand rose 3 per cent. Increases in the export value of aluminium, petroleum, metal ores and coal were

partially offset by falls in the value of gold, copper, medicines and agricultural exports.

Agriculture exports to Thailand in 2007 were hit hard by the impact of the drought in Australia, falling 17 per cent. This fall largely reflected a 71 per cent fall in the volume of wheat exports, as well as significant falls in cotton, dairy and wool.

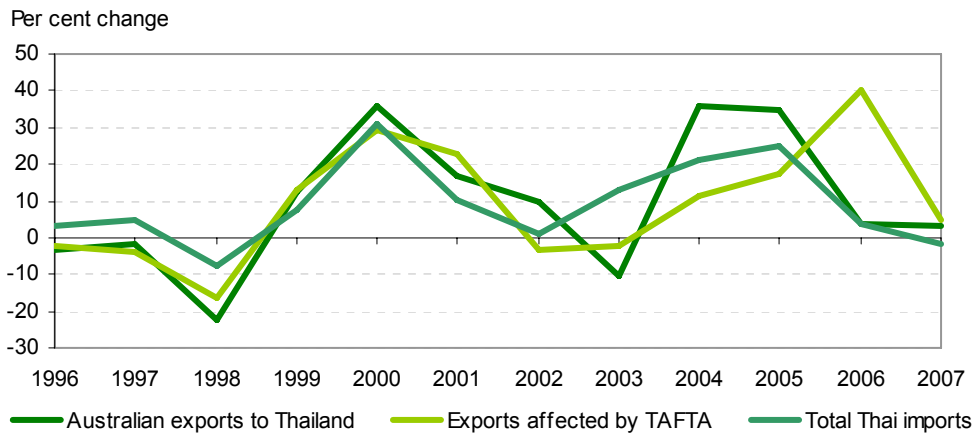
However, the overall export picture looks different when only exports in the tariff lines affected by TAFTA are considered. Australian exports to Thailand benefiting from tariff reductions negotiated in TAFTA rose by 5 per cent in 2007 – despite the fall in agricultural exports.

Chart 5 shows that Thailand's total imports from all other sources have followed similar growth trends to Australia's exports to Thailand. However, when TAFTA was implemented at the beginning of 2005, Australian exports affected by the agreement continued to grow strongly for another year, even though growth in overall Thai imports slowed. As a result, Australian exports benefiting from tariff reductions in TAFTA have increased their share of Australian merchandise exports to Thailand (minus volatile gold and oil exports), from 73 per cent in 2004 to 80 per cent in 2006 and 90 per cent in 2007.

Thailand's merchandise exports to Australia have grown strongly during the three years that the agreement has been in force. Drawn by demand from Australia's fast growing economy, imports rose 28 per cent in 2005, 30 per cent in 2006 and 26 per cent in 2007.

The outlook for Australia's trade with Thailand is positive, with the IMF forecasting Thailand's GDP to grow 4.0 per cent in 2007 and 4.5 per cent in 2008. The continuing program of tariff reductions under TAFTA will also create more opportunities for trade between Australia and Thailand.

Chart 5: Australian exports to Thailand and Thailand total imports (a)



(a) Merchandise trade only.

Source: ABS trade data on DFAT STARS database, World Trade Atlas and CEIC database.

*Authors: Mike Wight and Nicholas Charpentier
Trade and Economic Analysis Branch
mike.wight@dfat.gov.au or nicholas.charpentier@dfat.gov.au*

This article has also benefited from comments and suggestions made by Bruce Soar, Director, and Anthony Skews, Desk Officer, International Economic and Finance Section.

**Table 1: Australia's exports of goods and services to Thailand
(\$ million)**

Export category	Export value (A\$m)						% change	
	2002	2003	annual		2006	2007	2004 to present ^a	5 year trend ^b
Agricultural	555	386	435	461	513	428	-1.6	-1.1
Minerals	82	66	145	66	169	236	63.1	23.4
Fuels	134	110	405	577	626	1,054	160.3	57.4
Manufactures	996	1,053	1,179	1,496	1,982	1,988	68.7	17.3
STM	562	585	644	929	1,351	1,333	106.9	22.8
ETM	434	469	534	567	631	655	22.6	9.0
Other goods (incl. gold)	748	637	897	1,528	989	716	-20.1	4.8
Total merchandise exports	2,514	2,252	3,060	4,129	4,280	4,422	44.5	15.5
Exports affected by TAFTA	1,432	1,362	1,569	1,840	2,576	2,697	71.9	16.1
Total merchandise imports	3,141	3,605	3,771	4,812	6,258	7,888	109.2	20.4
Balance on merchandise trade	-627	-1,353	-711	-683	-1,979	-3,466	387.3	31.7
Total services exports	613	597	614	641	692	nya	12.7	4.1
Total services imports	758	669	868	914	1,238	nya	42.6	9.7
Balance on services trade	-145	-72	-254	-273	-546	nya	115.0	24.5
Total goods & services exports	3,127	2,849	3,674	4,770	4,972	nya	4.2	13.2
Total goods & services imports	3,899	4,274	4,639	5,726	7,496	nya	30.9	15.8
Balance on goods & services	-772	-1,425	-965	-956	-2,525	nya	-164.1	23.2
Exchange rate (average)* Baht/A\$	23.36	27.00	29.60	30.63	28.53	28.91	-2.3	3.7

nya = not yet available.

Source: ABS trade data on DFAT STARS database, ABS catalogue 5368.0 and Bank of Thailand.
Data for services trade with Thailand in 2007 will be released by the ABS in May 2008.

^a Percentage change from 2004 to most recent year – usually 2007, except where services data is required which runs till 2006.

^b 5-year trend represents the average annual growth rate for the most recent 5 years available (2002-2007 or 2001-2006).

Table 2: Top 20 merchandise exports to Thailand and TAFTA

Export category ^b	Export value (A\$m) annual				Trend growth ^a (%)			TAFTA ^c
	2004	2005	2006	2007	pre-FTA	post-FTA	5-year	
Crude petroleum	402	571	505	861	33.0	24.2	54.0	not affected
Aluminium	362	536	728	762	-0.5	28.9	19.7	1% tariff removed immediately
Gold	536	1,177	715	550	1.1	-4.5	8.4	not affected
Copper	194	314	462	331	20.6	22.1	34.0	Immediate reduction to 5%, however MFN rate subsequently reduced to 1%
Coal	...	...	118	189	...	...	...	1% tariff removed immediately
Medicaments (medicines)	139	174	201	169	9.5	7.5	17.4	Up to 20% tariff reduced to 10% immediately, eliminated over 4 years
Other ores	4	22	62	140	-62.1	233.6	25.2	1% tariff removed immediately
Uncoated flat-rolled steel	40	31	48	109	173.3	41.2	38.6	10% tariff reduced to 5% immediately, will fall to zero in 2015
Milk & cream	58	94	104	89	-23.6	14.9	2.6	Annual quota increases granted and tariff eliminated over 20 years
Cotton	117	135	169	84	-23.8	-7.4	-7.5	not affected
Ferrous waste	97	21	85	67	130.2	3.0	27.9	1% tariff removed immediately
Cereal preparations	23	38	44	63	-16.6	36.9	14.9	2.75bt/kg tariff removed immediately
Lead	16	32	34	55	4.0	45.7	29.7	1% tariff removed immediately
Pigments & paints	44	33	39	37	3.2	-3.5	-3.6	1% tariff removed immediately
Wool	72	52	40	36	-2.0	-20.9	-19.6	1% tariff removed immediately
Specialised machinery	13	16	9	34	0.4	26.0	18.2	not affected
Combustion engines	19	33	33	31	116.7	16.0	55.8	20% tariff reduced to 10% immediately, eliminated over 4 years
Wheat	8	8	13	26	62.5	49.5	87.0	Specific tariff (1 baht/kg) eliminated immediately
Non-ferrous metal waste	2	8	19	26	23.1	135.4	113.3	not affected
Zinc	8	8	22	22	-26.7	49.9	3.1	not affected
TOTAL	3,060	4,129	4,280	4,422	7.9	12.1	15.5	

Source: ABS trade data on DFAT STARS database.

^a Trend growth is an average annual rate of growth for: Pre-FTA (2001-2004), post-FTA (2004-2007), 5-year trend (2002-2007).

^b Export categories and data based on SITC 3-digit commodity descriptions.

^c TAFTA effects based on scheduled tariff reductions for individual 6-digit Harmonised System (HS) Tariff Codes that comprise a majority of trade in each SITC 3-digit commodity description, as described in the TAFTA Annexes.

Table 3: Top 20 merchandise imports from Thailand and TAFTA

Import category ^b	Import value (A\$m) annual				Trend growth ^a (%)			TAFTA ^c
	2004	2005	2006	2007	pre-FTA	post-FTA	5-year	
Goods vehicles	881	1,518	1,419	1,993	25.2	26.9	30.6	Up to 5% tariff removed immediately
Passenger vehicles	122	262	603	1,183	13.3	114.7	61.5	Up to 15% tariff removed immediately
Gold	138	126	415	662	179.9	80.4	40.5	already tariff free
Heating & cool. equip.	358	324	493	401	17.2	7.9	12.0	5% tariff removed immediately for air conditioners; 10% tariff on parts reduced to 5% and eliminated in 2010
Computers	119	159	141	210	11.5	17.3	11.6	already tariff free
Prepared seafood	159	183	193	206	1.2	8.8	6.0	5% tariff on canned tuna immediately reduced to 2.5%, free in 2007
Vehicle parts	60	76	113	170	44.8	42.3	29.3	Up to 15% tariff reduced to 5% immediately, eliminated in 2010
Telecom. equipment	175	147	149	139	42.7	-6.6	8.9	already tariff free
Crude petroleum	100	119	227	139	-22.0	17.6	-3.9	already tariff free
Jewellery	71	77	88	127	17.7	20.7	19.0	5% tariff removed immediately
Household equip.	59	71	95	122	60.2	27.9	39.1	5% tariff removed immediately
Rubber tyres	51	53	85	113	13.7	32.7	19.4	10% tariff reduced to 5% immediately, eliminated in 2010
Pumps for gas	38	77	76	102	33.9	34.1	26.1	5% tariff removed immediately
Perfumery & cosmetics	28	38	66	91	49.2	50.7	33.5	5% tariff removed immediately
Furniture	56	54	70	81	-7.6	14.6	3.6	5% tariff removed immediately
Internal combustion engines	24	22	55	78	188.2	56.1	53.5	Up to 15% tariff reduced to 5% immediately, eliminated in 2010
Other plastic articles	54	60	63	73	8.3	9.7	12.1	5% tariff on basic plastics eliminated in 2008, 5% tariff on plastic products removed immediately
Crustaceans	56	60	67	66	-11.6	6.2	0.5	already tariff free
Manufactures of base metals	25	33	60	56	25.4	35.2	16.3	up to 10% tariff removed immediately for most products, vehicle-related products (20% of category) retains tariffs at 5% until 2010
Rice	38	46	47	55	8.7	12.0	12.7	already tariff free
TOTAL	3,771	4,812	6,258	7,888	12.3	28.1	20.4	

Source: ABS trade data on DFAT STARS database.

^a Trend growth is an average annual rate of growth for: Pre-FTA (2002-2004), post-FTA (2005-2006), 5-year trend (2002-2006).

^b Import categories and data based on SITC 3-digit commodity descriptions.

^c TAFTA effects based on scheduled tariff reductions for individual 6-digit Harmonised System (HS) Tariff Codes that comprise a majority of trade in each SITC 3-digit commodity description, as described in the TAFTA Annexes.

Table 4: Australian services trade with Thailand

Export category	Export value (A\$m)						% change	
	2001	2002	annual			2006	2004 to 2006	5-year trend ^a
Services exports	541	613	597	614	641	692	12.7	4.1
Transportation services	np	np	np	np	np	94	...	...
Travel services	406	479	487	514	527	565	9.9	5.9
<i>Business</i>	23	22	32	40	36	40	0.0	13.6
<i>Personal</i>	383	456	454	474	490	525	10.8	5.4
<i>Education related</i>	277	317	363	383	394	429	12.0	8.6
<i>Other</i>	106	139	92	92	96	96	4.3	-4.5
Communication services	5	np	3	2	np	np	...	...
Construction services	np	np	0	0	0	0	...	...
Insurance services	0	0	0	0	0	0	...	...
Financial services	0	0	0	0	0	0	...	...
Computer & information services	1	2	6	1	0	np	...	...
Royalties & license fees	np	np	np	4	np	8	...	...
Other business services	20	31	23	np	14	10	...	...
Personal, cultural & recreational services	2	1	2	np	0	2	...	...
Government services	12	11	11	11	11	11	...	...
Service Imports	763	758	669	868	914	1,238	42.6	9.7
Transportation services	np	283	295	335	350	464	38.5	...
Travel services	468	449	343	510	543	755	48.0	10.1
<i>Business</i>	79	70	57	66	66	70	6.1	-1.8
<i>Personal</i>	389	380	285	444	477	685	54.3	12.0
<i>Education related</i>	15	10	13	13	12	13	0.0	-0.5
<i>Other</i>	375	370	272	431	465	672	55.9	12.3
Communication services	4	np	np	4	4	np	...	...
Construction services	0	0	0	0	0	0	...	...
Insurance services	0	0	0	0	0	0	...	...
Financial services	4	4	4	4	4	4	...	...
Computer & information services	0	0	np	np	0	0	...	...
Royalties & license fees	np	1	2	np	1	np	...	...
Other business services	9	np	np	8	6	5	...	...
Personal, cultural & recreational services	np	0	0	np	0	0	...	...
Government services	4	5	5	6	6	6	...	...

Source: ABS catalogue 5368.0. Data for services trade with Thailand in 2007 will be released by the ABS in May 2008.

Note. np refers to not published

^a 5-year trend growth is the average annual rate of growth from 2002 to 2006.